



County of Los Angeles

CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

April 11, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

STATE LEGISLATIVE UPDATE

State Budget Update

Pension Obligation Bonds: On April 10, 2003, SB 22X, which would authorize the issuance of short-term bonds for the purpose of funding the State's pension obligation, was amended in the Assembly to restore an urgency clause. The clause was stricken in the Senate in order to pass the bill after Senate Republicans refused to vote for it, although it was part of their budget plan. The Assembly will probably take up the bill on Monday. If approved as an urgency measure, it suggests that communication between the caucuses has improved to the point where agreed upon pieces of a budget solution will be approved prior to agreement on a total solution.

Child Support Payments: On April 7, 2003, the Assembly Budget Committee passed SB 1070 (Chesbro) on a vote of 25-0, with three abstentions, and now proceeds to the Assembly Floor. Included in this urgency, appropriations and deficiency bill is an augmentation of \$98.5 million for the State Department of Child Support Services to pay for the federal automation penalty. The State's failure to make a timely payment would reduce the Department's federal grant by the amount of the penalty. Further, without this bill, the April administrative payment for the County's Department of Child Support Services would be withheld. It is likely that SB 1070 will be taken up on the Assembly Floor on April 21, 2003.

Pursuit of County Position on Budget Item

Budget Item 9210 in the Proposed FY 2003-04 Budget appropriates \$60 million for the State-County Property Tax Administration Grant Program. Los Angeles County receives \$13 million annually from this program. This program was previously a loan program and, in 2001, County-sponsored AB 589 (Wesson) was enacted which extended the program through FY 2006-07 and changed it to a grant program. Counties must apply for the grants, use them to augment their property tax assessment and administration functions, and provide reports to the State. Support for Budget Item 9210 is consistent with County-sponsorship of AB 589. **Therefore, our Sacramento advocates will support Budget Item 9210.** Budget Item 9210 is expected to be heard in the Senate and Assembly budget committees after release of the May Revise.

Pursuit of County Position on Legislation

AB 87 (Bogh), as amended on April 2, 2003, would establish the Workers' Compensation for Disaster Service Workers Fund and appropriate \$663,000 annually to pay workers' compensation benefits. The State Compensation Insurance Fund would be required to adjust and dispose of any workers' compensation claims and provide benefits to disaster service workers and their dependents through a continuous appropriation. The Governor recently promised to restore funding for this program, which he originally proposed to eliminate from the current year budget and the FY 2003-04 Proposed Budget. The intent of AB 87 is to ensure State funding of workers' compensation for Disaster Services Workers (DSW) in the event of a budget impasse. AB 87 includes an urgency clause and will become effective immediately if signed into law.

Existing law provides that a volunteer DSW who is duly registered by a disaster council and who performs services under its general direction, or a person impressed into performing service as a disaster service worker, is entitled to the same workers' compensation benefits as any other employee. Existing law also provides that the payment of workers' compensation is dependent upon and limited to the availability of funds specifically appropriated for that purpose.

The County departments most likely to be affected by AB 87 are the Sheriff's Department, with 6,699 registered DSWs, and the Fire Department, with approximately 250 registered DSWs. Also, a growing number of cities within the County have Community Emergency Response Teams (CERT) utilizing registered DSWs. These volunteers assist in disasters by performing a variety of tasks such as basic first aid, thereby freeing up safety personnel for more urgent matters.

County Counsel has indicated that even though the County might not have to cover workers' compensation benefits if State funding for DSW workers' compensation benefits were to cease, an injured DSW would likely seek compensation from a deep pocket source such as the County. The CAO Office of Emergency Management indicates that AB 87 will ensure DSWs continued coverage by workers' compensation even without a State budget being in effect. Existing Board policy opposes the shift of a State responsibility to local government without any corresponding revenue. Because AB 87 would ensure that such shifts do not occur, my office recommends the County support the bill. **Therefore, our Sacramento advocates will support AB 87.**

AB 87 passed the Assembly Committee on Insurance on April 2, 2003, and has been referred to the Assembly Appropriations Committee. In support of AB 87 are the Structural Engineers Association of California, California State Association of Counties, League of Cities, California State Sheriffs' Association, California State Police Chiefs Association, San Bernardino County Sheriff, California Association of Joint Powers Authorities and, Placer County. There is no registered opposition.

AB 435 (Matthews), as introduced on February 14, 2003, would shift the responsibility for monitoring traffic schools from the Superior Court (Court) to the State Department of Motor Vehicles (DMV).

Existing law requires traffic violator schools to meet specified criteria including use of a specified lesson plan approved by the DMV. It also authorizes the Court to utilize the services of a nongovernmental agency to provide traffic violator school administration and a public or private nonprofit agency to monitor all traffic violator schools.

AB 435 would make various changes to traffic violator school curriculum, authorizes schools to offer the curriculum on the Internet, and would give the DMV exclusive authority to conduct the monitoring of all traffic violator schools. The bill would authorize the DMV to contract with a public or private nonprofit agency to monitor traffic violator schools, and expressly prohibit the DMV from contracting with any agency that has a contract with the courts to provide in-court administrative services. Also, unlike the courts which use fees collected from violators to cover the cost of monitoring traffic violator schools, AB 435 does not provide the DMV with funding to cover these new costs.

According to the County of Los Angeles Housing Authority (Authority) which monitors certain traffic schools, AB 435 will prohibit the Authority from monitoring traffic violator schools because they are under contract with the courts to provide in-court administrative services. The Authority currently receives \$600,000 to monitor traffic violator schools and employs 4 full time and 6 part time employees.

The Authority and the Court oppose AB 435 because 1) the DMV does not have sufficient funding to cover the additional costs of monitoring the schools and 2) the lack of monitoring will adversely impact driver safety. Furthermore, the Authority opposes AB 435 unless it is amended to authorize the Court to contract-out the monitoring of the schools to the Authority or to other organizations. **Therefore, our Sacramento advocates will oppose AB 435 unless it is amended.** Opposition to AB 435 is consistent with Board policy to oppose legislation that decreases funding for monitoring traffic violator school programs.

According to the author's office, AB 435 will be heard in the Assembly Transportation Committee on April 21, 2003. The author's office and the Assembly Transportation Committee have indicated that there is no support or opposition on record. AB 435 is sponsored by the California Traffic School Association.

AB 1320 (Dutra), as amended on April 1, 2003, would change redevelopment law relating to transit villages. Specifically, the bill would 1) allow local governments to amend existing redevelopment projects or establish new Transit Village Redevelopment Plans (TVRP) centered on a rail transit station, extending up to one-half mile from the rail station, 2) make affordable housing a "characteristic" to be addressed by a TVRP, 3) create new "blight" criteria for TVRP projects, and 4) extend the tax increment benefit to 60 years and exempt or cap TVRP's obligations to pass-through a share of tax growth to cities and counties. AB 1320 is substantially similar to County-opposed SB 465 (Soto).

Existing law, the Community Redevelopment Reform Act of 1993 (AB 1290), curbed redevelopment abuse by tightening the definition of "blight" needed to invoke redevelopment powers. It also placed other limitations and requirements on projects and mandated "pass-through" of a share of diverted taxes to affected localities. AB 1320 would eliminate the burden of blight findings from the current redevelopment adoption process, and eliminate currently required pass-through payments. This would result in significant loss of County tax revenues. In general, for each \$1 million of redevelopment tax diversion, local government loses 47% and the State loses 53% due to their backfill of lost revenues to local schools.

Because AB 1320 is substantially similar to County-opposed SB 465 and would divert local tax revenues from critical County services, our Sacramento advocates will oppose this bill. Opposition is consistent with existing Board policy to oppose any redevelopment legislation which would cause the County to lose revenues or which would limit or repeal provisions of AB 1290. The bill has been referred to the Assembly Committee on Housing and Community Development and no hearing date has been set.

Status of County-Interest Bills

County-sponsored AB 44 (Pacheco), which addresses technical issues regarding the notification of various parties of juvenile court proceedings to determine, review, revise or terminate the status of a child as a dependent child of the court, passed the Assembly on April 10, 2003 and now proceeds to the Senate where it is expected to be referred to the Senate Judiciary Committee.

County-supported AB 936 (Reyes), which would expand the definition of stalking to include "Baby Stalking", passed the Assembly Public Safety Committee on April 8, 2003 and will go to the Assembly Appropriations Committee.

County-sponsored AB 1153 (Bermudez), which would criminalize the unauthorized use, manufacture or sale of any official State, county, city, city or county, or agency badge and/or associated photographic identification cards, passed the Assembly Public Safety Committee on consent on April 8, 2003, and will go to the Assembly Appropriations Committee.

County-supported SB 469 (Scott), which would authorize a school district to use its instructional materials fund to purchase materials for the visual and performing arts, foreign language, and health, if the district has provided basic instructional materials as specified under current law, passed the Senate Appropriations Committee on an 11 to 1 vote, and then passed the Senate on April 7, 2003. The next stop is the Assembly Committee on Education.

County-supported SCR 5 (Scott), which would declare the Legislature's acknowledgment and support of standards-based instruction in the visual and performing arts in all California public schools, pre-kindergarten through grade 12, passed out Senate in an unanimous vote on April 7, 2003 and now goes to the Assembly Committee on Education.

We will continue to keep you advised.

DEJ:GK
MAL:JF:JKL:ib

c: Executive Officer, Board of Supervisors
 County Counsel
 Local 660
 All Department Heads
 Legislative Strategist
 Coalition of County Unions
 California Contract Cities Association

Each Supervisor
April 11, 2003
Page 6

Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants